ALVORD AND ALVORD
ATTORNEYS AT LAW
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SUITE 200

WASHINGTON, D C 20006-2973

(202) 393-2266 FAX (202) 393-2156 AUC 16'99

RECORDATION NO 3035

1-45 MM

OF COUNSEL URBAN A. LESTER

ELIAS C ALVORD (1942) ELLSWORTH C ALVORD (1964)

August 16, 1999

Mr. Vernon A Williams Secretary Surface Transportation Board Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U S C Section 11301(a), are two (2) copies of a Memorandum of Grant of Security Interest in Lessee's Rights under Equipment Lease and Assignment of such Security Interest, dated August 12, 1999, a secondary document, as defined in the Board's Rules for the Recordation of Documents

The enclosed document relates to the Memorandum of Railroad Equipment Lease which was previously filed with the Board under Recordation Number 20358

The names and addresses of the parties to the enclosed document are.

Debtor Bangor & Aroostook Railroad Company

Northern Maine Junction Park

RR2 Box 45

Bangor, ME 04401-9602

Secured Party: Allfirst Financial Center

25 S Charles Street Baltimore, MD 21201

Debtor Allfirst Financial Center

25 S Charles Street Baltimore, MD 21201

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Mr. Vernon Williams August 16, 1999 Page Two

Secured Party

Bank Austria Creditanstalt

Corporate Finance, Inc

2 Greenwich Plaza Greenwich, CT 06830

Debtor

Allfirst Financial Center

25 S Charles Street Baltimore, MD 21201

Secured Party

Bank Austria Creditanstalt

SBIC, Inc.

2 Greenwich Plaza Greenwich, CT 06830

A description of the railroad equipment covered by the enclosed document is:

set forth in the Memorandum of Railroad Equipment Lease previously filed herein

Also enclosed is a check in the amount of \$26 00 payable to the order of the Surface Transportation Board covering the required recordation fee

Kindly return two stamped copies of the enclosed document to the undersigned

Very truly yours,

Robert W. Alvord

RWA/bg Enclosures

MEMORANDUM OF GRANT OF SECURITY INTEREST IN LESSEE'S RIGHTS UNDER EQUIPMENT LEASE AND ASSIGNMENT OF SUCH SECURITY INTEREST

This Memorandum of Grant of Security Interest in Lessee's Rights Under Equipment Lease and Assignment of such Security Interest is made and entered into this ¹²-day of August, 1999 by (i) Bangor & Aroostook Railroad Company, a Maine corporation ("BAR"), (ii) Allfirst Financial Center, National Association, as trustee under a Trust Agreement dated August 12, 1999 for the benefit of Progress Rail Services Corporation ("AFC"), (iii) Bank Austria Creditanstalt Corporate Finance, Inc. ("BACCF") and (iv) Bank Austria Creditanstalt SBIC, Inc. ("SBIC").

BAR is lessee and has a leasehold interest in certain rolling stock equipment under a lease with Compass Rail II as Lessor dated November 1, 1996 and titled Railroad Equipment Lease Agreement ("Equipment Lease). The Equipment Lease, or a memorandum of the Equipment Lease, setting forth a description of the rolling stock equipment subject thereto was filed with the Surface Transportation Board on November 8, 1996 under Recordation No. 20358.

Pursuant to an IRR Security Agreement dated as of August 12, 1999 among, *inter alia*, BAR as debtor ("BAR") and AFC as secured party, BAR granted to AFC a security interest in substantially all its property including "any interest, if any, in, and, subject to the landlord's rights, under any and all leases, subleases,...and...leasehold interests...relating to equipment".

Pursuant to a Security Agreement dated as of August 1999 between AFC as debtor and BACCF as secured party, AFC assigned to BACCF as collateral all of the security interests granted to it under the IRR Security Agreement referenced above.

Pursuant to an SBIC Security Agreement dated as of August /2, 1999 between AFC as debtor and SBIC as secured party, AFC assigned to SBIC as collateral all of the security interests granted to it under the IRR Security Agreement referenced above.

This Memorandum shall be filed with the Surface Transportation Board under the Recordation No. referenced above to perfect, and give notice of, the grant of security interest and the collateral assignments of such security interest described above.

In Witness Whereof, BAR, AFC, BACCF and SBIC have caused this Memorandum to be executed as of the date first above written.

Bangor & Aroostook Railroad Company

By John T. Almilt

Allfirst Financial Center, National Association, as Trustee

By Pohus D Slow

Bank Austria Creditanstalt Corporate Finance, Inc.

By With W. Doll, Ut

By Jogun Sh. Sustana, IP

Bank Austria Creditanstalt SBIC, Inc.

By Capther W. Stedel, VF

By Jym Or Jusqua, VI

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	County of New York)	SS.			4	
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